



CRATER EXPLORATION, INC.

954 East 7145 South, Suite 202
Midvale, Utah 84047

RECEIVED
JUN 23 1983

DIVISION OF
OIL, GAS & MINING

June 23, 1983

State of Utah, D.O.G.M.
4241 State Office Building
Salt Lake City, UT 84114

ATTENTION: James W. Smith Jr.

RE: ACT/019/017 Cato Placer Sand #1 Grand County

Dear Mr. Smith:

Thank you for your tentative mining approval of the above referenced project. In response to your letter of June 3 let me state the following.

Paragraph 3A:

Should any significant runoff occur, natural or otherwise, it will be diverted into the irrigation ditches for distribution over the area. We still feel that there will be no direct discharge into the stream. Should conditions change we will submit a revised plan to you and applicable agencies for approval.

Paragraph 3B:

We have decided not to do any mining in the riverbed or wetlands at this time. Therefore, a permit from the Army Corps of Engineers is not needed.

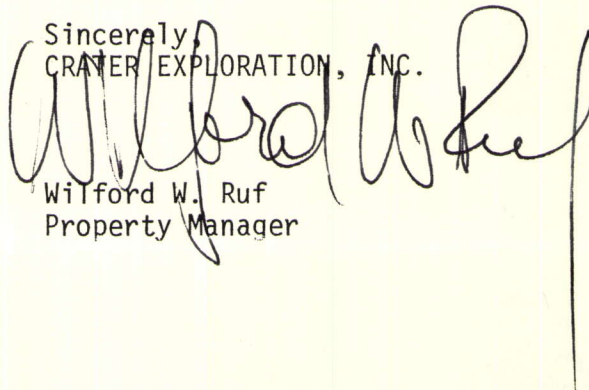
Paragraphs 3G & H:

Since we are not working in the Tamarak area ashes are no consideration at this time.

All other stipulations as mentioned in the letter are hereby accepted by Crater Exploration, Inc. as a portion of the conditions for issuance of a mining permit on the above project.

We appreciate your willingness to cooperate with us in putting that property into production.

Sincerely,
CRATER EXPLORATION, INC.

A handwritten signature in black ink, appearing to read 'Wilford W. Ruf', is written over the typed name. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the name.

Wilford W. Ruf
Property Manager